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BC STATS

Service BC, Ministry of Labour and Citizens' Services
and the Ministry of Small Business and Revenue

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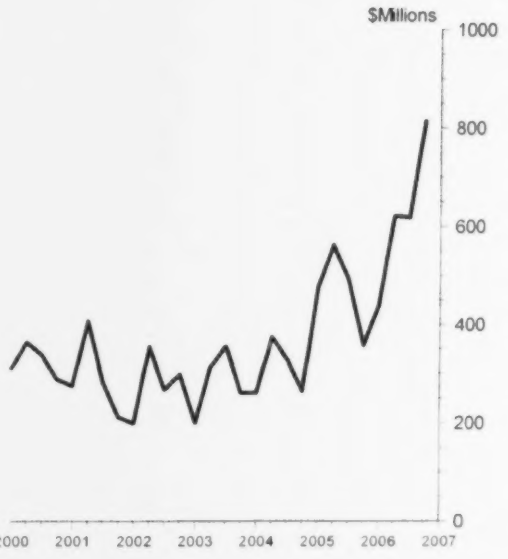
- In the fourth quarter, employment in small businesses (excluding self-employed) climbed 3.9% over the same quarter of 2005. The fastest growth was in the number of jobs in businesses with 20–49 employees (+6.5%) as employment growth in businesses with fewer than 20 employees was only 2.7%. Small business employment in the province rose 4.5% in 2006, compared to 4.8% for overall employment.
- There was a slight decline in the number of self-employed in BC in the fourth quarter (-0.7% year-over-year). The decrease was due to a slip in the number of self-employed without paid help (-2.0%), as those with paid help climbed 1.3%. Over the course of 2006, the number of self-employed inched down (-0.5%). Falling numbers of both self-employed with (-1.8%) and without (-0.4%) paid help were responsible for the annual decrease. One possible explanation for the decline in self employment is that, given BC's tight economy and recent labour shortages, some self-employed workers are making a move into the employee workforce.
- The number of small businesses in BC (excluding self-employed persons without paid help) climbed 3.8% in the third quarter of 2006 compared to the same period a year earlier. The increase was most significant among businesses with one to four employees (+5.7%).
- Business bankruptcies continued to experience double-digit declines in the fourth quarter, dropping 35.5% compared to the same period a year earlier. Consumer bankruptcies (-15.9%) were also down substantially. Over the entire year, both business (-25.3%) and consumer (-14.1%) bankruptcies fell markedly.
- The number of new business incorporations grew 7.3% in 2006. However, a flat fourth quarter (+0.1% compared to the same quarter in 2005) did not contribute much to the annual growth.
- The value of commercial building permits issued in BC continued its upward climb in the fourth quarter, soaring 127.5% to end the year 32.2% over the value of those issued in 2005. Meanwhile, industrial building permits grew 3.7% in 2006 despite a slip in the fourth quarter (-11.9%).
- Compared to 2005, mortgage rates were higher in 2006 (+0.67 percentage points). Interest rates also continued to head back up, reaching levels comparable to those of 2001.

The value of commercial building permits issued in BC continue to soar



Head Offices in BC

A business's head office is devoted to the management and administration of the company and its function. Head offices are sought after by provinces and communities value them as providers of a considerable number of high-paying jobs for a highly-skilled workforce. They are credited with offering employment both directly and indirectly in the creation of demand for services that support their operations.[1] Such headquarters are usually located in an urban centre, while the actual activity of the company is often located elsewhere.

Recently, concern has grown over a decline in head office employment in British Columbia. The apprehension lies in the migration of head office jobs to other provinces and that many of the jobs and businesses that support such headquarter-operations, such as those in law, engineering, accounting and financial services might also be threatened.[2]

Pressure has been placed on local and provincial governments to investigate why the province is witnessing a reduction of head office jobs while simultaneously boasting one of the strongest economies in the country.

While it is difficult to measure head office units and employment, there are a few common sources. The Financial Post 500 (FP500) compiles an annual list of Canada's *top 500* companies together with the *next 300*, for a total of 800 companies. The companies are ranked according to annual revenues and the list specifies in which city each company is based. Included in the FP500 are both privately held and publicly traded enterprises as well as government-owned Crown corporations.[3] Alternatively, Statistics Canada provides data that does not use a revenue-based definition, but instead uses data from its Business Register (BR), which tracks the nation's companies, their production units and employment levels.[4]

How many top Canadian companies make their home in BC?

According to the latest FP500, BC was home to 53 of Canada's top 500 companies in 2005, down from 58 in 2004.[5] When moving beyond the first 500, BC fared much better, accounting for 101 (13%) of the 800 biggest enterprises in the country, notably more than in 2004 (89 companies or 11% of the nation's top 800). The overall increase in BC's share of Canada's top 800 companies, was a result of an addition of 17 firms in the *next 300* level, which offset the decline in top 500 companies. So although the province has lost ground in terms of the

[1] June, 2006. *Head Offices in Canada* Release from Statistics Canada www.statcan.ca

[2] October, 2002 Policy Perspectives, *Is BC Losing Head Offices -- and Should we Care?* Release from the Business Council of British Columbia: www.bcbc.com

[3] Since the FP500 list only includes the top Canadian companies by revenue, it does not count many medium- and smaller-sized companies, which can provide equal benefits to a local economy.

[4] The Business Register does not recognize a head office if it exists in the same physical location from other production units of the same enterprise and does not include Crown corporations. Also, because it does not use a revenue-based model, it is not a solely a measure of exclusively large corporations.

[5] The FP500 for 2005 had originally listed BC as being home to 54 companies. However, one company (Westcoast Energy) was erroneously reported as a BC-based head office and as such, has been removed.

largest Canadian companies, it shows signs of remaining fairly competitive as a home for more moderately-sized enterprises.

Despite some signs of growth among Canada's mid-sized enterprises, BC trails Alberta in the number of both top 500 and top 800 Canadian companies. Of the four main provinces that are home to head offices (Ontario, Quebec, Alberta and BC), Alberta has gained the most ground in recent years. In 2005, it was the only province to increase its holding of Canada's top 500 companies, boasting 82, up (+17.1%) from 70 in 2004. Of the biggest 800 Canadian enterprises, Alberta housed 122 —again, a substantial increase (+17.3%) from the previous year (104). Although BC lags Alberta among the top 500 (53 versus 82 companies), it does manage to outperform Alberta in the number of *next 300* head offices (48 versus 40). Of course, Ontario, with 220 of the top 500, remains the preferred location for Canadian head offices, ahead of second-place Quebec (90) by almost three-fold. Between 2004 and 2005, Ontario and Quebec each saw losses in the number of both top 500 companies and in the *next 300*.

Financial Post's top revenue companies in Canada by province, 2005[6]

	ONT	QC	AB	BC	Other
Top 500	220	90	82	53	54
Next 300	125	52	40	48	35
Top 800	345	142	122	101	89
% of Largest 800	43	18	15	13	11

Source: 2006 edition of the Financial Post's FP500

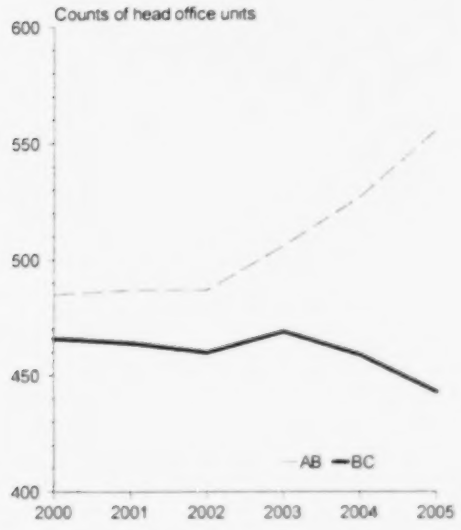
Another indicator of the province's overall status as a home for head offices is the mobility of BC companies in the ranking of Canada's top enterprises. For example, approximately 30% of the province's companies that also made Canada's top 500 list in 2004, had managed to move up in standing by 2005. However, a much larger proportion of these companies (62%) had lost ground. More promising is the fact that of the 48 companies listed in the *next 300* section of the FP500 in 2005, 42% were not ranked in 2004, meaning that they experienced substantial growth over the period of a year. Of those in the *next 300* that were ranked in both 2004 and 2005, 25% improved their positions, while 75% slipped.

How many head offices are located in BC?

According to Statistics Canada, there were 3,784 head offices in Canada in 2005, up (+5.6%) from 3,583 five years prior. At the same time, BC saw its count slip nearly five percent between 2000 and 2005 (from 466 to 443). Quebec also saw numbers decline (-6.6%), but Ontario (+12.2%) and Alberta (+14.6%) both experienced double digit growth.

[6] *FP500*, 2006 edition ranking list and overview. www.canada.com/nationalpost/financialpost

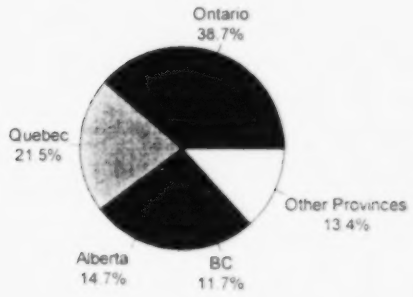
Head offices in BC showed signs of recovery in 2003, but lost more ground in 2004 and 2005



Data Source: Statistics Canada, 2006

The province's share of the nation's business headquarters has also been slipping since 2000. BC was home to 12% of Canada's business headquarters in 2005, down from 13% in 2000. As of 2005, Ontario continued to lead the way as a head office location (39% of the total), followed by Quebec (22%), Alberta (15%), and then BC (12%).

Provincial shares of Canada's head office units, 2005



Data Source: Statistics Canada, 2006

How does the province fare in head office employment?

Of equal importance is the province's trend in head office employment. Between 2000 and 2005, BC lost a significant number of head office jobs (-16.7%), dropping from over 16,000 to approximately 13,400. Over the same period, Alberta experienced a hefty surge (+36.3%), while Ontario (+19.0%) and Quebec (+6.7%) also enjoyed an increase in head office jobs.

Provincial head office counts, employment and average size, 2000 to 2005 (business sector)

	2000	2001	2002	2003	2004	2005
Head Office Count						
QC	873	862	872	869	852	815
ON	1,305	1,311	1,350	1,399	1,428	1,464
MB	134	142	147	156	153	155
SK	106	108	111	118	119	117
AB	485	487	487	506	527	556
BC	466	464	460	469	459	443
CAN	3,583	3,604	3,657	3,747	3,775	3,784

	2000	2001	2002	2003	2004	2005
Head Office Employment						
QC	40,571	38,620	40,044	41,684	41,734	43,291
ON	63,309	68,454	69,325	72,224	70,989	75,335
MB	7,942	8,111	6,908	6,938	7,435	7,169
SK	2,544	2,372	2,467	2,652	3,432	3,744
AB	17,378	18,040	19,788	20,917	22,293	23,682
BC	16,128	15,820	15,655	15,102	14,311	13,441
CAN	154,412	157,775	161,611	167,141	168,436	174,882

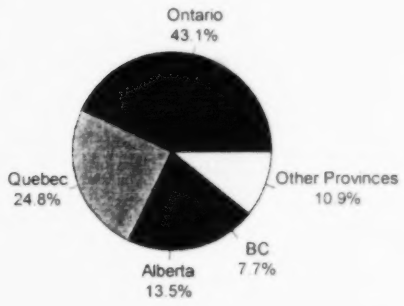
	2000	2001	2002	2003	2004	2005
Average employment per head office unit						
QC	46	45	46	48	49	53
ON	49	52	51	52	50	51
MB	59	57	47	44	49	46
SK	24	22	22	22	29	32
AB	36	37	41	41	42	43
BC	35	34	34	32	31	30
CAN	43	44	44	45	45	46

Source: Statistics Canada, 2006

Of Canada's 174,882 head office employees in 2005, over two-thirds worked in Quebec and Ontario. Between 2000 and 2005, Ontario expanded its share of head office jobs from 41% to 43%. Despite a slight slip in Quebec's share over the five year period, its proportion has remained relatively stable. In 2005, 25%

of the country's head office jobs were in Quebec, compared to 26% in 2000.

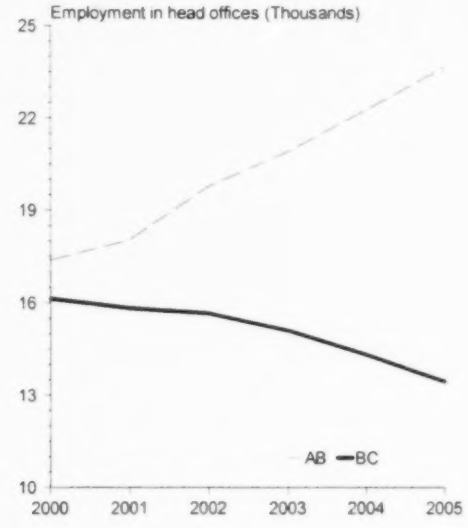
Provincial shares of Canada's head office employment, 2005



Data Source: Statistics Canada, 2006

In the West, on the other hand, a striking shift has occurred. At the end of the last decade, British Columbia had the most head office workers in Western Canada, (approximately 19,000 or 12% of the national total), while Alberta employed 15,700 (10% of Canada's head office jobs). 2000 marked the beginning of a steady decline for BC, mirroring substantive escalation in Alberta. By 2005, Alberta's employment count had soared to nearly 24,000, while BC's had shrunk to fewer than 13,500. This indicates that not only has Alberta replaced BC as Western Canada's leading head office centre, but that, as of 2005, it possessed almost double the number of head office jobs.

Head office employment in BC mirrors Alberta's



Data Source: Statistics Canada

How does Vancouver measure up?

Canada's head office employment is concentrated in four major metropolitan centres – Toronto, Montréal, Calgary and Vancouver. As the province's biggest metropolitan area, the vast majority of BC's head offices are located in the Vancouver region. In fact, of the province's 443 head offices reported by Statistics Canada in 2005, 335 (76%) were located in the Vancouver region.

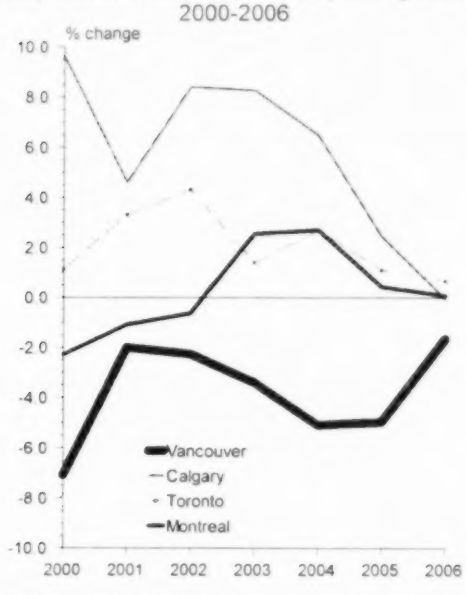
Similarly, among the Financial Post top 500 companies housed in British Columbia in 2005, nearly 90% (47 of the 53 companies) were located in the Greater Vancouver Regional District (GVRD). The remaining six head offices made their home in other parts of the province.

Between 2000 and 2006, Vancouver (-5.8% to 328) and Montreal (-8.6% to 531) saw their number of head office units decline. Meanwhile, Calgary (+11.1% to 310) and Toronto (+11.4% to

910) experienced notable jumps in overall counts.

A comparable picture is painted when looking at head office employment in the metropolitan centres. Over the six year period, there was a decrease in the number of head office employees in the Vancouver region. As of last year, Vancouver, which accounts for approximately 90% of all head office jobs in BC, employed 11,850 head office workers (-17.9%), a substantial decline from 14,440 employees in 2000. At the same time, Montreal (+4.0% to 36,310) and Toronto (+14.3% to 57,820) saw steady job increases, while head office employment in Calgary surged 33.8% to 18,880.

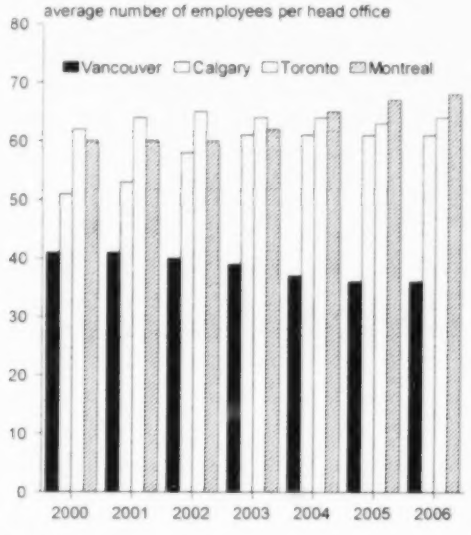
City trends in head office employment growth 2000-2006



Data Source: Statistics Canada, 2007

Over this period, the GVRD also saw a slip in the average number of individuals working at each head office (down from 41 to 36). On average, Vancouver businesses employ considerably fewer employees per head office than do the other three major metropolitan headquarters. Last year, the highest average employment size for head offices among cities was found in the Montreal region (68) and Toronto's (64) and Calgary's (61) average employment also exceeded that of Vancouver.

Vancouver continues to have the lowest average employment per head office unit



Data Source: Statistics Canada, 2007

That being said, it is not uncommon for the majority of a company's employees to be located elsewhere, as many companies have larger numbers of workers in offices that are not head offices. Indeed, only one percent of all jobs in the GVRD are in head offices.

In what industries are Vancouver's head offices concentrated?

The fate of the head-office sector can potentially vary across industries. Using the North American Industry Classification System (NAICS), we can determine that the leading industry sectors for Vancouver head offices in 2006 were retail trade (accounting for 24% of Vancouver's business headquarters) followed by wholesale trade (16%) and manufacturing (14%). Rounding out the

list were firms in a number of other industries, including accommodation & food services (9%), finance & insurance (7%) and transportation & warehousing (6%).

Employment in head offices differs widely by industry. Retail trade accounted for over 21% of all head office jobs in Vancouver last year. Information & cultural industries (16%) followed, while manufacturing and finance & insurance each accounted for approximately 15% of head office jobs in the GVRD. Among these larger head office employers, finance & insurance saw the biggest employment decline (-25.5%) between 2000 and 2006, dropping from 2,430 to 1,810 workers. Of the top head office industries in Vancouver, the only industry not recording a decline in head office employment or head office count between 2000 and 2006 was wholesale trade.

Why is the province losing head offices?

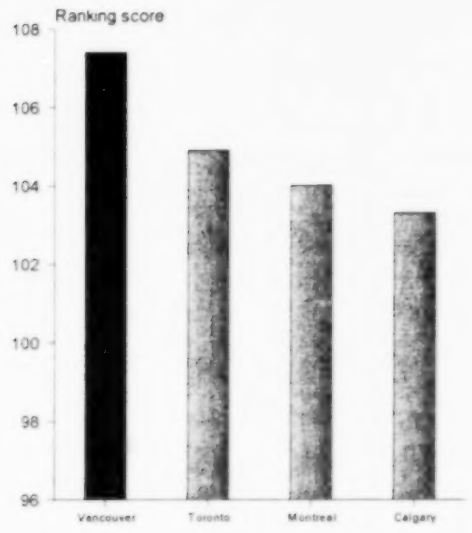
To speak of causal factors behind BC's decline in head offices would be to speculate. There are numerous dynamics that can contribute to a drop in a region's head office count. Among others, a decline can be attributable to mergers and acquisitions, or a company moving their headquarters to another location (the latter being far less common). According to the Business Council of British Columbia, likely causes for BC's poor showing in recent years include corporate consolidation in the forest sector, the rising cost of land, higher costs for office space and housing, along with a lack of effective regional marketing to attract and retain new businesses.[7]

As a business centre, BC is far less populous than Ontario and Quebec and carries the disadvantage of being geographically distanced from the eastern US markets. However, Alberta is also at a similar disadvantage, yet with its comparatively affordable living costs, relatively inexpensive land for development and low tax rates, it has managed to attract, retain and grow head offices. Alberta's booming economy and expanding population has pushed up head office employment among numerous industries—construction, wholesale and retail trade, and mining & oil & gas extraction, to name a few.

BC boasts its own unique set of advantages that have historically appealed to many of the country's business headquarters. The province offers a mild climate, world-renowned quality of life, and excellent proximity to Asia-Pacific markets.

[7] December 2006 update on *Corporate Head Office Employment in British Columbia*, release from the Business Council of British Columbia: www.bcbc.com

Vancouver ranked highest in quality of life indicators in 2006



Data Source: Mercer Human Resource Consulting

Losses and entries of head offices are by no means uncommon. Indeed, as of 2005, more than one-third of Canada's head offices did not exist just six years earlier (1999).[8] However, it is clear that if BC is to re-establish itself as the leading business centre in Western Canada for corporate headquarters, some changes may be necessary.

How can BC attract and retain head offices?

The BC Business Council suggests that the province work on retaining large businesses that already make their homes in BC, develop strategies to nurture the growth of successful mid-sized BC companies, and possibly assess further changes in the tax policy.

Also suggested is a region-wide program to market Greater Vancouver as an appealing destination for businesses to make their home. Other factors that influence the decision of where to locate, such as the cost of living, office space and land, are more difficult to address.

Whatever the reason, there is little doubt that BC has experienced a net loss of corporate head offices and head office jobs in the past decade or so. Despite legitimate concerns about the number of large company headquarters and head office employment in BC, it is important to remember the dynamic nature of business and the economy as a whole. A strong and growing head office sector is only one of a myriad of components that can contribute to economic buoyancy. Of equal importance, is the need to recognize that many of the province's companies continue to thrive, especially those that are smaller or mid-sized. Over time, some of these may very well find themselves on Canada's top 500 list.

[8] July, 2006. *Head Office Employment in Canada, 1999 to 2005*. Release from Statistics Canada www.statcan.ca

Recent Feature Articles Listed by Issue Number

06-4: *'Head Offices in BC'* (released Apr 2007)

06-3: *'Female Enterprise in British Columbia'* (released Dec 2006)

06-2: *'Regional Outlook: BC's Northeast'* (released Oct 2006)

06-1: *'Now Hiring: BC's Labour Well Running Dry'* (released Jun 2006)

05-4: *'The Business Gateway'* (released Mar 2006)

05-3: *'BC Restaurants: An Industry Overview'* (released Dec 2005)

05-2: *'Effects of Canadian Dollar Mixed for Small Business'* (released Oct 2005)

05-1: *'Small Businesses that Export'* (released Jun 2005)

04-4: *'Small Business Outlook'* (released Mar 2004)

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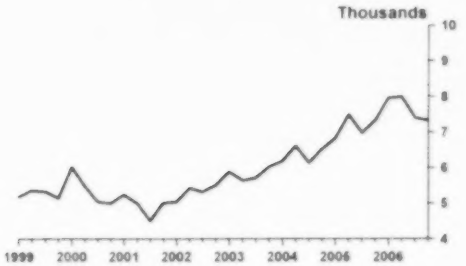
00-1: *'Some Distinctive Features of The Small Business Workplace'* (released Oct 2000)

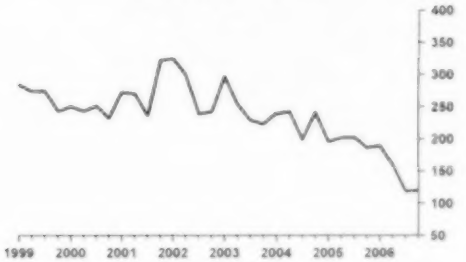
99-4: *'Transfers of Corporate Charters to Other Provinces Suggest Business Migration From British Columbia'* (released Jul 2000)

Business Counts, Formations and Failures

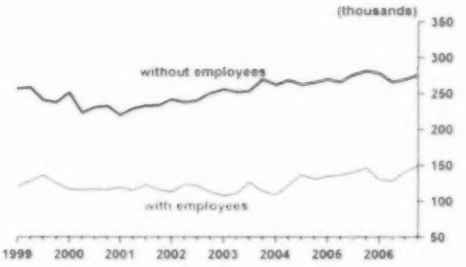
New Business Incorporations in British Columbia



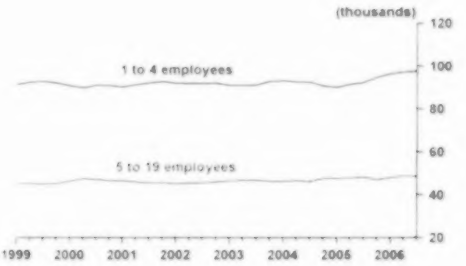
Number of Business Bankruptcies in British Columbia



Self-Employed Persons



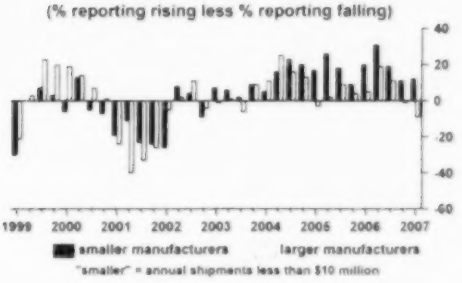
Small Businesses With Employees



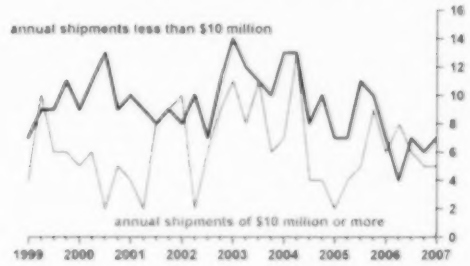
Business Conditions

Balance of Opinion on New Orders Received at Start of Quarter

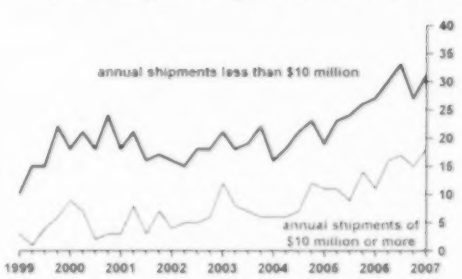
(% reporting rising less % reporting falling)



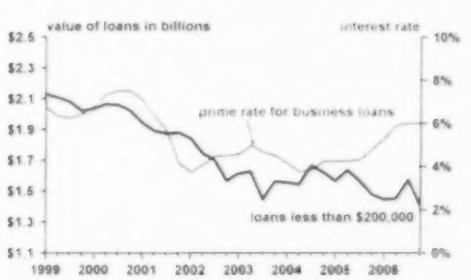
Per Cent of Manufacturers Experiencing Shortage of Working Capital



Per Cent of Manufacturers Experiencing Shortage of Skilled Labour



Chartered Bank Business Loans in British Columbia



Small Business Quarterly

Table 1

Period	Active Employer Businesses [1] by number of employees: Total	1-4	5-9	10-19	20-49	1-49	Employment [2] by number of employees in business: Total [4]	1-19	20-49	1-49	Self-employed [3]: Total [5]	with paid help	without paid help
	('000)						('000)				('000)		
Annual Averages													
2000	156.6	90.5	27.5	19.3	13.0	150.3	1,565.3	411.5	181.9	593.4	356.6	116.6	234.4
2001	156.9	91.5	27.2	18.5	12.4	149.7	1,593.0	415.9	186.8	602.7	351.4	118.7	228.9
2002	156.8	91.8	27.2	18.3	12.4	149.6	1,599.7	418.3	191.2	609.5	363.3	117.9	242.6
2003	157.6	91.4	27.8	18.7	12.5	150.4	1,634.3	425.0	197.9	623.0	376.3	114.9	257.7
2004	158.4	92.1	27.7	18.9	12.5	151.2	1,665.8	434.1	202.9	637.0	391.5	124.9	264.4
2005	160.7	92.1	28.2	19.5	13.3	153.0	1,709.2	441.7	207.2	649.0	415.8	139.6	273.1
2006	-	-	-	-	-	-	1,791.7	458.1	219.8	677.9	413.7	137.1	272.0
% change 2005-2006	-	-	-	-	-	-	4.8%	3.7%	6.1%	4.5%	-0.5%	-1.8%	-0.4%
Quarterly	*End of Quarter*						*Quarterly*				*Quarterly Averages*		
2003 Q1	157.2	90.9	27.8	18.6	12.6	149.8	1,601.4	412.2	188.0	600.2	367.1	107.8	255.6
Q2	157.4	91.0	27.9	18.7	12.6	150.2	1,649.8	425.9	199.7	625.6	367.1	110.7	252.3
Q3	157.5	91.1	27.9	18.8	12.5	150.3	1,633.2	432.4	204.8	637.2	382.5	126.6	253.4
Q4	158.4	92.8	27.7	18.6	12.3	151.3	1,652.9	429.6	199.2	628.9	388.4	114.3	269.6
2004 Q1	158.7	93.0	27.5	18.7	12.3	151.6	1,620.0	421.3	195.2	616.6	374.3	109.2	262.3
Q2	158.5	92.5	27.7	18.8	12.3	151.3	1,680.6	437.4	205.1	642.5	392.7	122.5	268.4
Q3	158.0	92.4	27.5	18.6	12.3	150.8	1,670.5	442.3	208.4	650.7	400.7	137.3	261.9
Q4	158.4	90.6	28.1	19.4	13.0	151.0	1,692.1	435.4	202.8	638.3	398.2	130.7	265.1
2005 Q1	158.3	90.0	28.1	19.4	13.2	150.7	1,661.1	427.5	194.9	622.4	409.4	134.7	269.8
Q2	160.1	91.4	28.2	19.5	13.4	152.5	1,723.1	443.0	207.3	650.3	404.9	136.5	265.6
Q3	161.7	92.2	28.3	19.8	13.5	153.8	1,708.7	449.0	216.3	665.2	419.1	140.6	275.8
Q4	162.7	94.7	28.0	19.1	13.1	154.9	1,743.8	447.5	210.5	658.0	429.6	146.7	281.2
2006 Q1	165.4	96.3	28.4	19.5	13.4	157.5	1,740.4	445.4	207.7	653.1	412.0	129.6	277.8
Q2	167.8	97.3	28.8	20.0	13.6	159.8	1,801.8	462.1	220.6	682.6	398.0	128.5	265.1
Q3	167.8	97.5	28.8	19.7	13.7	159.7	1,796.0	465.2	226.8	692.0	417.9	141.7	269.5
Q4	-	-	-	-	-	-	1,828.5	459.7	224.2	683.9	426.8	148.7	275.7
% change year-over-year last available quarter	3.7%	5.7%	1.9%	-0.4%	1.6%	3.8%	4.9%	2.7%	6.5%	3.9%	-0.7%	1.3%	-2.0%
Monthly													
Mar-06											416.5	127.1	284.5
Apr-06											405.0	128.9	271.9
May-06											399.2	135.4	259.3
Jun-06											389.7	121.3	264.2
Jul-06											402.8	136.4	257.8
Aug-06											424.7	140.6	277.7
Sep-06											426.3	148.2	273.0
Oct-06											427.9	155.7	269.0
Nov-06											420.9	145.5	273.3
Dec-06											431.7	144.8	284.7
Jan-07											427.9	140.2	284.6
Feb-07											423.8	144.2	277.7
% change year-over-year last available month											3.6%	12.3%	0.7%
year-to-date	-	-	-	-	-	-	-	-	-	-	425.9	142.2	281.2

Notes:

[1] Source: Business Register

[2] Source: Survey of Employment, Payroll and Hours

[3] Source: Labour Force Survey

[4] Industrial aggregate excluding unclassified

[5] Total self-employed includes persons working in family business without pay

Source: Statistics Canada
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BC Stats (250) 387-0376

Period	Business Formation Indicators: New BC Business Incorporations	Registrations Extraprovincial Companies (number)	Registrations Unincorporated Businesses	Bankruptcies: Business (number)	Consumer (number)
Annual Totals					
1994	25,774	1,915	18,293	827	4,197
1995	23,846	1,966	19,279	973	4,747
1996	22,848	2,061	20,367	948	6,436
1997	22,958	2,188	19,863	895	7,366
1998	20,759	2,233	19,507	1,031	7,327
1999	21,009	2,366	20,917	1,075	8,179
2000	21,515	2,528	20,822	976	9,181
2001	19,749	2,479	21,306	1,100	9,474
2002	21,262	2,383	22,487	1,105	9,527
2003	23,243	2,544	25,121	1,002	9,393
2004	25,428	2,456	25,244	921	8,386
2005	28,593	2,618	26,200	786	8,179
2006	30,667	3,088	26,783	587	7,022
% change 2005-2006	7.3%	18.0%	2.2%	-25.3%	-14.1%
Quarterly Totals					
2003 Q1	5,878	694	6,878	297	2,467
Q2	5,638	674	6,642	253	2,463
Q3	5,711	547	5,852	229	2,272
Q4	6,016	629	5,749	223	2,191
2004 Q1	6,175	755	6,835	239	2,299
Q2	6,602	547	6,655	242	2,254
Q3	6,128	618	5,796	199	1,909
Q4	6,523	536	5,958	241	1,924
2005 Q1	6,814	544	6,637	196	2,205
Q2	7,489	719	7,452	202	2,187
Q3	6,970	750	6,247	202	1,945
Q4	7,320	605	5,864	186	1,842
2006 Q1	7,958	821	7,325	189	1,943
Q2	7,984	843	7,231	159	1,885
Q3	7,399	678	6,374	119	1,644
Q4	7,326	746	5,853	120	1,550
% change year-over-year last available quarter	0.1%	23.3%	-0.2%	-35.5%	-15.9%
Monthly					
Mar-06	2,879	298	2,689	65	707
Apr-06	2,407	247	2,298	53	607
May-06	2,862	264	2,541	58	632
Jun-06	2,715	332	2,392	48	646
Jul-06	2,364	239	2,140	37	484
Aug-06	2,518	229	2,170	32	577
Sep-06	2,517	210	2,064	50	583
Oct-06	2,509	275	2,225	42	587
Nov-06	2,454	269	2,041	41	526
Dec-06	2,363	202	1,587	37	437
Jan-07	-	-	-	50	551
Feb-07	-	-	-	-	-
year-to-date	0	0	0	50	551
% change year-over-year last available month	-3.3%	5.8%	-9.3%	-18.0%	-5.2%

Sources: BC Ministry of Finance, Industry Canada

Period	Interest Rates			Exchange Rate	Consumer Price Index		
	Bank Rate	Prime Rate	Conventional 5 Year Mortgage	Canadian $ Average Noon Spot Rate	BC	Vancouver*	Vic*
	(per cent)			(U.S. ¢)	(1992=100)		
Annual Averages							
2000	5.77	7.27	8.35	67.34	113.3	113.9	113.0
2001	4.31	5.81	7.40	64.58	115.2	116.0	114.3
2002	2.71	4.21	7.02	63.69	117.9	118.6	117.4
2003	3.19	4.69	6.39	71.58	120.4	121.0	120.0
2004	2.50	4.00	6.23	76.98	122.8	123.4	122.8
2005	2.92	4.42	5.99	82.60	125.3	125.7	125.5
2006	4.31	5.81	6.66	88.18	127.5	128.1	127.5
% change 2005-2006	N/A	N/A	N/A	6.8%	1.7%	1.9%	1.6%
difference 2005-2006	1.40	1.40	0.67	N/A	N/A	N/A	N/A
Quarterly Averages							
2003 Q1	3.08	4.58	6.63	66.26	119.7	120.4	119.3
Q2	3.50	5.00	6.20	71.58	120.3	120.9	119.8
Q3	3.17	4.67	6.28	72.46	120.9	121.4	120.5
Q4	3.00	4.50	6.45	76.00	120.8	121.4	120.5
2004 Q1	2.67	4.17	5.85	75.90	121.2	121.8	121.0
Q2	2.25	3.75	6.45	73.57	123.1	123.7	123.0
Q3	2.33	3.83	6.38	76.51	123.4	124.0	123.4
Q4	2.75	4.25	6.25	81.94	123.6	124.2	123.7
2005 Q1	2.75	4.25	6.12	81.50	123.8	124.5	123.9
Q2	2.75	4.25	5.90	80.40	125.2	125.7	125.4
Q3	2.83	4.33	5.80	83.25	126.0	126.5	126.2
Q4	3.33	4.83	6.15	85.24	126.1	126.3	126.5
2006 Q1	3.83	5.33	6.40	86.62	125.9	126.3	126.1
Q2	4.42	5.92	6.82	89.11	127.8	128.2	127.8
Q3	4.50	6.00	6.83	89.19	128.1	128.8	128.1
Q4	4.50	6.00	6.60	87.78	128.0	129.0	127.8
% change year-over-year last available quarter	N/A	N/A	N/A	3.0%	1.6%	2.1%	1.1%
difference year-over-year last available quarter	1.17	1.17	0.45	N/A	N/A	N/A	N/A
Monthly							
Mar-06	4.00	5.50	6.45	86.40	126.3	126.8	126.4
Apr-06	4.25	5.75	6.75	87.43	127.1	127.6	127.3
May-06	4.50	6.00	6.75	90.13	128.1	128.6	128.2
Jun-06	4.50	6.00	6.95	89.78	128.1	128.5	128.0
Jul-06	4.50	6.00	6.95	88.56	128.2	128.8	128.2
Aug-06	4.50	6.00	6.85	89.42	128.4	129.0	128.3
Sep-06	4.50	6.00	6.70	89.59	127.8	128.5	127.7
Oct-06	4.50	6.00	6.80	88.61	127.7	128.6	127.6
Nov-06	4.50	6.00	6.55	88.01	128.1	129.1	127.8
Dec-06	4.50	6.00	6.45	86.73	128.3	129.4	128.0
Jan-07	4.50	6.00	6.65	85.04	128.4	129.3	128.1
Feb-07	4.50	6.00	6.65	85.42	128.6	129.6	128.3
% change year-over-year last available month	N/A	N/A	N/A	-1.9%	2.2%	2.8%	1.8%
difference year-over-year last available month	0.75	0.75	0.20	N/A	N/A	N/A	N/A

* Census Metropolitan Area

Period	Commercial Building Permits			Industrial Building Permits			Urban Housing Starts	
	BC	Vancouver*	Victoria*	BC	Vancouver*	Victoria*	BC	Vancouver*
	($ thousands)			($ thousands)			(number)	
Annual Totals								
1998	1,311,124	810,117	76,173	273,279	160,652	15,858	17,631	11,878
1999	1,142,105	652,159	101,453	319,145	172,604	5,931	14,176	8,677
2000	1,297,270	868,865	76,834	295,525	147,574	14,763	12,353	8,203
2001	1,171,233	718,860	86,782	221,353	105,178	21,843	15,689	10,862
2002	1,116,741	746,220	104,278	230,119	129,291	9,167	20,315	13,197
2003	1,129,623	607,764	134,420	244,024	90,082	20,451	24,720	15,626
2004	1,228,027	812,400	67,800	328,050	140,419	8,120	30,875	19,430
2005	1,886,405	1,099,029	183,804	346,203	148,198	9,103	31,119	18,914
2006	2,493,684	1,666,544	107,231	358,843	172,413	11,892	32,571	18,705
% change 2005-2006	32.2%	51.6%	-41.7%	3.7%	16.3%	30.6%	4.7%	-1.1%
Quarterly Totals								
2002 Q1	198,407	125,804	18,170	25,849	12,710	2,091	3,659	2,285
Q2	353,724	264,566	28,515	73,400	42,047	3,452	5,279	3,548
Q3	266,902	144,797	41,744	79,205	47,950	2,380	5,934	4,020
Q4	297,708	211,053	15,849	51,665	26,584	1,244	5,443	3,344
2003 Q1	200,086	107,691	27,775	40,679	22,785	1,003	4,206	2,588
Q2	313,669	156,577	29,849	65,985	16,043	1,500	6,097	3,740
Q3	355,162	159,179	54,930	75,441	28,652	12,986	7,678	5,146
Q4	260,706	184,317	21,866	61,919	22,602	4,962	6,739	4,152
2004 Q1	260,672	174,174	14,042	47,164	10,009	3,393	6,079	3,698
Q2	374,553	266,254	17,076	79,549	41,841	1,791	9,008	6,064
Q3	328,277	198,638	13,676	92,804	28,585	1,781	8,533	5,437
Q4	264,525	173,334	23,006	108,533	59,984	1,155	7,255	4,231
2005 Q1	474,469	316,974	19,502	64,891	29,554	5,631	6,240	4,112
Q2	561,904	368,490	45,246	84,315	28,872	928	8,073	4,462
Q3	492,396	248,635	73,290	98,228	39,817	1,897	8,798	5,359
Q4	357,636	164,930	45,766	98,769	49,955	647	8,008	4,981
2006 Q1	440,817	290,979	30,288	67,757	24,401	6,115	7,939	5,093
Q2	621,372	389,719	36,636	97,698	36,187	3,091	8,371	4,868
Q3	617,789	391,151	23,068	106,359	64,503	1,670	8,546	4,776
Q4	813,706	594,695	17,239	87,029	47,322	1,016	7,715	3,968
% change year-over-year last available quarter	127.5%	260.6%	-62.3%	-11.9%	-5.3%	57.0%	-3.7%	-20.3%
Monthly								
Mar-06	209,159	139,937	17,173	24,400	9,839	5,081	3,018	2,016
Apr-06	173,687	118,015	7,740	20,940	9,454	319	3,407	2,304
May-06	232,715	129,179	13,244	25,203	10,377	1,020	2,329	1,267
Jun-06	214,970	142,525	15,652	51,555	16,356	1,752	2,635	1,297
Jul-06	246,362	126,619	16,706	23,907	15,173	675	3,413	2,163
Aug-06	214,893	174,848	2,674	39,180	19,100	882	2,415	1,313
Sep-06	156,534	89,684	3,688	43,272	30,230	113	2,718	1,300
Oct-06	395,782	308,525	4,946	22,740	5,653	89	2,933	1,256
Nov-06	283,389	196,539	4,005	47,232	33,534	545	2,531	1,405
Dec-06	134,535	89,631	8,288	17,057	8,135	382	2,251	1,307
Jan-07	191,543	133,306	3,121	21,962	8,563	1,662	2,540	1,327
Feb-07	-	-	-	-	-	-	2,074	1,248
year-to-date	191,543	133,306	3,121	21,962	8,563	1,662	4,614	2,575
% change year-over-year last available month	71.6%	69.4%	-68.8%	46.8%	81.3%	632.2%	-25.0%	-37.2%

* Census Metropolitan Area

Sources: Canada Mortgage and Housing, Statistics Canada
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Period	Chartered Bank Business Loans in British Columbia			
	Less than $200,000	$200,000 to $500,000	Greater than $500,000	Total
	($ millions)			
Annual Averages				
1994	1,779	1,222	8,551	11,551
1995	1,791	1,451	9,043	12,284
1996	1,861	1,508	9,162	12,530
1997	1,985	1,724	10,081	13,790
1998	2,172	1,825	11,077	15,074
1999	2,084	1,710	10,807	14,601
2000	2,045	1,605	10,575	14,224
2001	1,896	1,516	9,746	13,158
2002	1,710	1,393	9,373	12,475
2003	1,558	1,297	9,491	12,347
2004	1,597	1,346	9,730	12,673
2005	1,561	1,377	10,490	13,428
2006	1,470	1,472	12,869	15,810
% change 2005-2006	-5.9%	6.9%	22.7%	17.7%
Quarterly				
1999 Q1	2,128	1,792	10,908	14,828
Q2	2,108	1,735	10,975	14,818
Q3	2,080	1,686	10,876	14,642
Q4	2,020	1,627	10,467	14,114
2000 Q1	2,035	1,631	10,636	14,302
Q2	2,063	1,638	10,812	14,513
Q3	2,059	1,586	10,608	14,253
Q4	2,021	1,564	10,244	13,829
2001 Q1	1,942	1,561	10,171	13,674
Q2	1,890	1,539	9,552	12,981
Q3	1,873	1,502	9,599	12,974
Q4	1,879	1,461	9,662	13,002
2002 Q1	1,842	1,484	9,912	13,238
Q2	1,742	1,439	9,897	13,078
Q3	1,702	1,400	9,344	12,446
Q4	1,552	1,247	8,337	11,136
2003 Q1	1,599	1,312	9,159	12,070
Q2	1,626	1,327	9,795	12,748
Q3	1,445	1,292	9,700	12,437
Q4	1,563	1,258	9,311	12,132
2004 Q1	1,555	1,337	9,560	12,452
Q2	1,545	1,350	9,928	12,823
Q3	1,666	1,348	9,549	12,563
Q4	1,622	1,349	9,882	12,853
2005 Q1	1,566	1,363	10,319	13,248
Q2	1,637	1,388	10,745	13,770
Q3	1,564	1,386	10,206	13,156
Q4	1,478	1,370	10,691	13,539
2006 Q1	1,447	1,345	11,450	14,242
Q2	1,452	1,344	11,899	14,695
Q3	1,571	1,733	15,667	18,971
Q4	1,408	1,465	12,459	15,332
% change year-over-year last available quarter	-4.7%	6.9%	16.5%	13.2%

Source: Bank of Canada

Period	Manufacturers' Outlook for Business Conditions Companies With Annual Shipments Less Than $10 Million Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages) Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Percent of Manufacturers Experiencing Production Difficulties From: Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1996	4	-3	2	9	17	1
1997	4	6	4	10	15	2
1998	8	-13	-7	10	14	1
1999	6	-5	5	9	16	2
2000	8	-1	6	11	20	2
2001	9	-19	-9	9	18	3
2002	1	-6	-1	9	17	3
2003	7	6	11	12	20	2
2004	5	16	16	11	20	5
2005	3	18	16	9	23	8
2006	2	20	19	6	29	12
Quarterly						
2001 Q1	6	-19	-10	10	18	2
Q2	13	-11	19	9	21	3
Q3	10	-23	-6	8	16	3
Q4	8	-24	-38	9	17	3
2002 Q1	3	-26	-16	8	16	4
Q2	2	8	27	10	15	2
Q3	-1	4	3	7	18	4
Q4	1	-9	-17	11	18	3
2003 Q1	6	7	2	14	21	3
Q2	8	6	22	12	18	1
Q3	8	2	10	11	19	2
Q4	7	9	8	10	22	3
2004 Q1	7	5	-2	13	16	3
Q2	5	16	31	13	18	4
Q3	2	23	25	8	21	7
Q4	6	20	11	10	23	6
2005 Q1	1	17	12	7	19	6
Q2	3	26	29	7	23	7
Q3	6	18	22	11	24	8
Q4	2	9	2	10	26	9
2006 Q1	9	20	15	7	27	8
Q2	4	31	37	4	30	9
Q3	-3	19	16	7	33	14
Q4	-1	11	7	6	27	16
2007 Q1	1	12	13	7	31	20

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey*, which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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Manufacturers' Outlook for Business Conditions
Companies With Annual Shipments of $10 Million or More

Period	Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
		(index)			(%)	
Annual Averages						
1996	40	-8	-7	7	3	0
1997	29	12	12	4	3	1
1998	32	-16	-1	7	3	0
1999	19	6	10	7	4	0
2000	10	10	11	5	5	1
2001	24	-31	-5	6	5	0
2002	15	1	5	7	5	1
2003	15	1	9	9	8	1
2004	7	16	10	7	8	2
2005	12	3	6	5	11	5
2006	8	9	11	6	15	8
Quarterly						
2001 Q1	19	-24	-7	4	3	0
Q2	27	-40	4	2	8	0
Q3	37	-33	-9	8	3	1
Q4	14	-26	-7	9	7	0
2002 Q1	15	-5	-2	10	4	1
Q2	13	2	15	2	5	0
Q3	13	11	6	6	5	0
Q4	19	-4	-1	9	6	1
2003 Q1	16	-1	-8	11	12	0
Q2	15	1	15	8	8	1
Q3	20	-6	18	11	7	0
Q4	10	9	10	6	6	1
2004 Q1	5	11	2	7	6	1
Q2	-1	25	24	13	6	1
Q3	16	16	7	4	7	2
Q4	9	13	7	4	12	2
2005 Q1	14	-3	-15	2	11	4
Q2	13	2	26	4	11	5
Q3	9	9	17	5	9	5
Q4	10	4	-3	9	14	4
2006 Q1	7	5	12	6	11	6
Q2	14	19	26	8	16	6
Q3	5	11	10	6	17	11
Q4	6	-1	-6	5	15	9
2007 Q1	17	-9	-9	5	18	10

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey*, which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

Source: Statistics Canada.
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